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SENSITIVE

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TAGS: [PGOV](#) [PREL](#) [GR](#)

SUBJECT: MONASTERY LAND DEAL BUFFETS GOVERNMENT

SENSITIVE BUT UNCLASSIFIED Q PROTECT ACCORDINGLY

¶1. (SBU) Summary: The senior prosecutor of the Greek Supreme Court, George Sanidas, has ordered an inquiry into a 2007 land swap between the Vatopaidion monastery and the state. Opposition parties have seized on the issue, alleging the state traded some prime facilities built for the 2004 Athens Olympics to the monastery in exchange for land of much less value. The press and opposition have focused in particular on Merchant Marine Minister George Voulgarakis, who was already under scrutiny for other controversial financial dealings, because of his wife's involvement in the deal. End Summary.

¶2. (SBU) According to media reports, Sanidas believes the state came out on the wrong end in the 2007 exchange of EUR 100 million worth of land and buildings, which included two large buildings inside the Olympic Village built for athletes in the 2004 Olympics. After obtaining these buildings from the state, the monastery sold them to private buyers, reportedly at a sizable profit. The investigation will seek to establish independent valuations of the properties involved and will look into whether the process that led to the transfers followed the law. In the meantime, Sanidas has issued a call to the Vatopaidion monks, who are based in the autonomous monastic community of Mt. Athos in northern Greece, to return the money that accrued from these transactions.

¶3. (SBU) The investigation has already identified at least 17 persons of interest who would be summoned to testify before examining magistrates, in addition to the monks. Media reports have highlighted Katerina Peleki, the wife of Merchant Marine Minister George Voulgarakis, who, in her capacity as a notary public, oversaw the Vatopaidion land transfers in 2007. When asked by the press, Prosecutor Sanidas refused to comment on Peleki specifically. Voulgarakis has already been under persistent media scrutiny, following revelations that he had formed an offshore company, allegedly to avoid taxation of various business activities he continues to pursue in partnership with his wife.

SPECKHARD